

Executive Summary – Enforcement Matter – Case No. 41193
C & R WATER SUPPLY INC.
RN102181765
Docket No. 2011-0342-MWD-E

Order Type:

1660 Agreed Order

Findings Order Justification:

N/A

Media:

MWD

Small Business:

Yes

Location(s) Where Violation(s) Occurred:

Clear Water Cove, located on Lake Conroe's western shore, north of and with access to Farm-to-Market Road 1097, approximately 7.6 miles west of Willis in Montgomery County

Type of Operation:

Wastewater treatment plant

Other Significant Matters:

Additional Pending Enforcement Actions: No

Past-Due Penalties: No

Other: N/A

Interested Third-Parties: The complainant has expressed an interest in this matter but does not wish to speak at Agenda.

Texas Register Publication Date: September 9, 2011

Comments Received: No

Penalty Information

Total Penalty Assessed: \$23,419

Amount Deferred for Expedited Settlement: \$4,683

Amount Deferred for Financial Inability to Pay: \$0

Total Paid to General Revenue: \$796

Total Due to General Revenue: \$17,940

Payment Plan: 23 payments of \$780 each

SEP Conditional Offset: \$0

Name of SEP: N/A

Compliance History Classifications:

Person/CN - Average

Site/RN - Average

Major Source: No

Statutory Limit Adjustment: N/A

Applicable Penalty Policy: September 2002

Executive Summary – Enforcement Matter – Case No. 41193

C & R WATER SUPPLY INC.

RN102181765

Docket No. 2011-0342-MWD-E

Investigation Information

Complaint Date(s): January 3, 2011

Complaint Information: Alleged that sewage was coming from the Respondent's facility.

Date(s) of Investigation: October 20, 2010, December 10, 2010, January 5, 2011, and January 31, 2011

Date(s) of NOE(s): December 15, 2010 and March 4, 2011

Violation Information

1. Failed to properly operate and maintain all facilities and systems of treatment and control. Specifically, eight inches of settled sludge in a seven foot water depth was measured in the chlorine contact chamber, the thirty minute settleable solids concentration in the aeration basin resulted in a value of 80%, the Facility did not have any scum baffles installed, and approximately 70% of the top of the clarifier was covered in solids [30 TEX. ADMIN. CODE §§ 305.125(1), 305.125(5) and 317.4(d)(2) and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0013575001, Operational Requirements No. 1].
2. Failed to properly operate and maintain all facilities and systems of treatment and control. Specifically, a high level alarm was not installed and only one pump was working at the Clear Water Point Lift Station [30 TEX. ADMIN. CODE §§ 305.125(1), 305.125(5), 317.3(b)(1), and 317.3(e)(5) and TPDES Permit No. WQ0013575001, Operational Requirements No. 1].
3. Failed to properly operate and maintain the chlorination system. Specifically, the ventilation fan in the chlorine room was inoperable [30 TEX. ADMIN. CODE § 317.6(b)(1)(E)].
4. Failed to prevent the unauthorized discharge of wastewater into or adjacent to water in the state. Specifically, a review of the Facility's records indicated that on December 1, 2010, a force main break at the on-site lift station resulted in a discharge of approximately 2,500 gallons of untreated wastewater into a ditch adjacent to the Facility [TEX. WATER CODE § 26.121(a)(1), 30 TEX. ADMIN. CODE § 305.125(1) and TPDES Permit No. WQ0013575001, Permit Conditions No. 2.g.].
5. Failed to comply with permitted effluent limits. Specifically, the Respondent exceeded the total suspended solids daily average concentration limit of 15 milligrams per liter ("mg/L") for the monitoring periods ending August 31, 2010 and October 31, 2010. The reported values were 16.16 mg/L and 18.53 mg/L, respectively [TEX. WATER CODE § 26.121(a)(1), 30 TEX. ADMIN. CODE § 305.125(1), and TPDES Permit No. WQ0013575001, Effluent Limitations and Monitoring Requirements No. 1].
6. Failed to accurately complete the discharge monitoring reports ("DMRs"). Specifically, the DMR for the monitoring period ending on February 28, 2010, indicated

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a chlorine residual of 1.93 mg/L; however, the operator's log indicated the chlorine residual was 2.43 mg/L. Also, the DMR for the monitoring period ending August 31, 2010, indicated that the sampling frequency for total suspended solids was once per week; however, the operator's log indicated that seven samples were collected [30 TEX. ADMIN. CODE §§ 305.125(1), 319.1, and 319.5(e) and TPDES Permit No. WQ0013575001, Monitoring and Reporting Nos. 1 and 4].

7. Failed to prevent the unauthorized discharge of wastewater into or adjacent to water in the state. Specifically, on January 2, 2011, a clog in the transfer line between the aeration basin and the clarifier resulted in the discharge of approximately 700 gallons of partially treated wastewater, that flowed under the fence and down the service road to Clearwater East Street and also resulted in an accumulation of sludge next to the aeration basin [TEX. WATER CODE § 26.121(a)(1), 30 TEX. ADMIN. CODE § 305.125(1), and TPDES Permit No. WQ0013575001, Permit Conditions No. 2.g.].

8. Failed to report any noncompliance to the Executive Director which may endanger human health or safety, or the environment. Specifically, the Respondent did not orally notify the Executive Director within twenty-four hours of becoming aware of the unauthorized discharge that occurred on January 2, 2011 [30 TEX. ADMIN. CODE § 305.125(9)(A) and TPDES Permit No. WQ0013575001, Monitoring and Reporting Requirements No. 7].

Corrective Actions/Technical Requirements

Corrective Action(s) Completed:

The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Facility:

a. By November 4, 2010, installed a high level alarm and a backup pump at the Clear Water Point Lift Station;

b. By December 1, 2010:

i. Repaired the force main at the on-site lift station;

ii. Used a vacuum truck to collect and properly dispose of the discharged wastewater; and

iii. Disinfected the affected area.

c. By January 10, 2011:

i. Cleared the blockage from the transfer line and ceased the unauthorized discharge;

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- ii. Used a vacuum truck to pump sludge from the chlorine contact chamber and clarifier and properly disposed of the sludge; and
- iii. Collected and properly disposed of the sludge next to the aeration basin;
- d. On February 28, 2011, returned to compliance with permitted effluent limits;
- e. On March 15, 2011, submitted revised DMRs for the monitoring periods ending February 28, 2010 and August 31, 2010; and
- f. On March 21, 2011, installed a ventilation fan in the chlorine storage room.

Technical Requirements:

The Order will require the Respondent to:

- a. Within 30 days:
 - i. Conduct employee training to ensure the Executive Director will be notified of any unauthorized discharge;
 - ii. Update the Facility's operational guidance and conduct employee training to ensure that self-reporting requirements are properly accomplished, including the timely submittal of accurately completed, signed, and certified monthly DMRs; and
- b. Within 45 days, submit certification of compliance with Ordering Provisions a.i. and a.ii.
- c. Within 60 days:
 - i. Develop and implement a solids management plan ("SMP"). The SMP shall identify the appropriate range of solids to be maintained throughout the treatment units at the Facility and outline a program of internal process control testing to monitor the efficiency of the wastewater treatment and to maintain the proper solids balance at the Facility. The SMP shall be prepared by a Texas registered professional engineer or an "A" TCEQ Certified Wastewater Operator; and
 - ii. Ensure the clarifier is properly maintained and operated; and
- d. Within 75 days, submit certification of compliance demonstrating compliance.

Litigation Information

Date Petition(s) Filed: N/A

Date Answer(s) Filed: N/A

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Docket No. 2011-0342-MWD-E

SOAH Referral Date: N/A
Hearing Date(s): N/A
Settlement Date: N/A

Contact Information

TCEQ Attorney: N/A
TCEQ Enforcement Coordinator: Steve Villatoro, Enforcement Division,
Enforcement Team 1, MC 169, (512) 239-4930; Debra Barber, Enforcement Division,
MC 219, (512) 239-0412
TCEQ SEP Coordinator: N/A
Respondent: Richard L. Wagner, President, C & R WATER SUPPLY INC., P.O. Box
187, Willis, Texas 77378
Betty Sandifer, Director, C & R WATER SUPPLY INC., P.O. Box 187, Willis, Texas 77378
Respondent's Attorney: N/A



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	20-Dec-2010	Screening	3-Jan-2011	EPA Due	
	PCW	7-Jul-2011				

RESPONDENT/FACILITY INFORMATION

Respondent	C & R WATER SUPPLY INC.		
Reg. Ent. Ref. No.	RN102181765		
Facility/Site Region	12-Houston	Major/Minor Source	Minor

CASE INFORMATION

Enf./Case ID No.	41193	No. of Violations	6
Docket No.	2011-0342-MWD-E	Order Type	1660
Media Program(s)	Water Quality	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Steve Villatoro
		EC's Team	Enforcement Team 1
Admin. Penalty \$ Limit Minimum		\$0	Maximum
			\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties) **Subtotal 1** **\$13,200**

ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History **67.0%** Enhancement **Subtotals 2, 3, & 7** **\$8,844**

Notes: Enhancement for seven months of self-reported effluent violations, four NOV's with same/similar violations, and six NOV's with dissimilar violations.

Culpability **No** **0.0%** Enhancement **Subtotal 4** **\$0**

Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments **Subtotal 5** **\$1,725**

Economic Benefit **0.0%** Enhancement* **Subtotal 6** **\$0**

Total EB Amounts \$591
Approx. Cost of Compliance \$20,000
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7 **Final Subtotal** **\$20,319**

OTHER FACTORS AS JUSTICE MAY REQUIRE **0.0%** **Adjustment** **\$0**

Reduces or enhances the Final Subtotal by the indicated percentage.

Notes:

Final Penalty Amount **\$20,319**

STATUTORY LIMIT ADJUSTMENT **Final Assessed Penalty** **\$20,319**

DEFERRAL **20.0%** Reduction **Adjustment** **-\$4,063**

Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes:

Deferral offered for expedited settlement.

PAYABLE PENALTY **\$16,256**

Screening Date 3-Jan-2011

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PCW

Respondent C & R WATER SUPPLY INC.

Policy Revision 2 (September 2002)

Case ID No. 41193

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102181765

Media [Statute] Water Quality

Enf. Coordinator Steve Villatoro

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	11	55%
	Other written NOVs	6	12%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 67%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

Enhancement for seven months of self-reported effluent violations, four NOVs with same/similar violations, and six NOVs with dissimilar violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 67%

Screening Date 3-Jan-2011

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PCW

Respondent C & R WATER SUPPLY INC.

Policy Revision 2 (September 2002)

Case ID No. 41193

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102181765

Media [Statute] Water Quality

Enf. Coordinator Steve Villatoro

Violation Number 1

Rule Cite(s) 30 Tex. Admin. Code §§ 305.125(1), 305.125(5), 317.4(d)(2) and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0013575001, Operational Requirements No. 1

Violation Description

Failed to properly operate and maintain all facilities and systems of treatment and control. Specifically, eight inches of settled sludge in a seven foot water depth were measured in the chlorine contact chamber, the thirty minute settleable solids concentration in the aeration basin resulted in a value of 80%, the Facility did not have any scum baffles installed, and approximately 70% of the top of the clarifier was covered in solids, as documented during the October 20, 2010, investigation.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

	Harm		
Release	Major	Moderate	Minor
Actual			
Potential		x	

Percent 10%

>> Programmatic Matrix

	Major	Moderate	Minor
Falsification			

Percent 0%

Matrix Notes

Human health or the environment will or could be exposed to significant amounts of pollutants which would not exceed levels that are protective of human health or environmental receptors as a result of this violation.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1

75 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	x
semiannual	
annual	
single event	

Violation Base Penalty \$1,000

One quarterly event is recommended from the investigation date (October 20, 2010) to the screening date (January 3, 2011).

Good Faith Efforts to Comply

0.0% Reduction

\$0

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	x	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$1,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$505

Violation Final Penalty Total \$1,670

This violation Final Assessed Penalty (adjusted for limits) \$1,670

Economic Benefit Worksheet

Respondent C & R WATER SUPPLY INC.
Case ID No. 41193
Reg. Ent. Reference No. RN102181765
Media Water Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$7,000	20-Oct-2010	31-Oct-2011	1.03	\$24	\$481	\$505
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated costs to remove and properly dispose of sludge from the chlorine contact chamber, provide adequate solids removal from the clarifier and aeration basin and implement a Solids Management Plan. Date required is the investigation date and final date is the expected date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$7,000

TOTAL

\$505

Screening Date 3-Jan-2011

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PCW

Respondent C & R WATER SUPPLY INC.

Policy Revision 2 (September 2002)

Case ID No. 41193

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102181765

Media [Statute] Water Quality

Enf. Coordinator Steve Villatoro

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code §§ 305.125(1), 305.125(5), 317.3(b)(1) and 317.3(e)(5) and TPDES Permit No. WQ0013575001, Operational Requirements No. 1

Violation Description

Failed to properly operate and maintain all facilities and systems of treatment and control. Specifically, a high level alarm was not installed and only one pump was working at the Clear Water Point Lift Station, as documented during the October 20, 2010, investigation.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential	x		

Percent 25%

>> Programmatic Matrix

Falsification	Harm		
	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment will or could be exposed to significant amounts of pollutants which would exceed levels that are protective of human health or environmental receptors as a result of this violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 1

15 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$2,500

One monthly event is recommended from the investigation date (October 20, 2010) to the compliance date (November 4, 2010).

Good Faith Efforts to Comply

25.0% Reduction

\$625

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	x	
N/A		(mark with x)

Notes

The Respondent returned to compliance on November 4, 2010.

Violation Subtotal \$1,875

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$23

Violation Final Penalty Total \$3,550

This violation Final Assessed Penalty (adjusted for limits) \$3,550

Economic Benefit Worksheet

Respondent C & R WATER SUPPLY INC.
Case ID No. 41193
Reg. Ent. Reference No. RN102181765
Media Water Quality
Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
<small>No commas or \$</small>							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$8,000	20-Oct-2010	4-Nov-2010	0.04	\$1	\$22	\$23
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated costs to install a high level alarm and provide a backup pump for the Clear Water Point Lift Station. Date required is the investigation date and final date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$8,000

TOTAL

\$23

Screening Date 3-Jan-2011

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PCW

Respondent C & R WATER SUPPLY INC.

Policy Revision 2 (September 2002)

Case ID No. 41193

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102181765

Media [Statute] Water Quality

Enf. Coordinator Steve Villatoro

Violation Number 3

Rule Cite(s)

30 Tex. Admin. Code § 317.6(b)(1)(E)

Violation Description

Failed to properly operate and maintain the chlorination system. Specifically, the ventilation fan in the chlorine room was inoperable, as documented during the October 20, 2010, investigation.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential	x		

Percent 25%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment will or could be exposed to significant amounts of pollutants which would exceed levels that are protective of human health or environmental receptors as a result of this violation.

Adjustment \$7,500

\$2,500

Violation Events

Number of Violation Events 3

75 Number of violation days

mark only one with an x

daily	
weekly	
monthly	x
quarterly	
semiannual	
annual	
single event	

Violation Base Penalty \$7,500

Three monthly events are recommended from the investigation date (October 20, 2010) to the screening date (January 3, 2011).

Good Faith Efforts to Comply

10.0% Reduction

\$750

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		x
N/A		(mark with x)

Notes

The Respondent returned to compliance on March 21, 2011.

Violation Subtotal \$6,750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$6

Violation Final Penalty Total \$11,775

This violation Final Assessed Penalty (adjusted for limits) \$11,775

Economic Benefit Worksheet

Respondent C & R WATER SUPPLY INC.
 Case ID No. 41193
 Reg. Ent. Reference No. RN102181765
 Media Water Quality
 Violation No. 3

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$200	20-Oct-2010	21-Mar-2011	0.42	\$0	\$6	\$6
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated costs to install a ventilation fan in the chlorine room. Date required is the investigation date and final date is date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$200

TOTAL

\$6

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PCW

Respondent C & R WATER SUPPLY INC.

Policy Revision 2 (September 2002)

Case ID No. 41193

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102181765

Media [Statute] Water Quality

Enf. Coordinator Steve Villatoro

Violation Number 4

Rule Cite(s) Tex. Water Code § 26.121(a)(1), 30 Tex. Admin. Code § 305.125(1), and TPDES Permit No. WQ0013575001, Permit Conditions No. 2.g.

Violation Description

Failed to prevent the unauthorized discharge of wastewater into or adjacent to water in the state, as documented during a record review conducted on December 10, 2010. Specifically, a review of the Facility's records indicated that on December 1, 2010, a force main break at the on-site lift station resulted in a discharge of approximately 2,500 gallons of untreated wastewater into a ditch adjacent to the Facility.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 10%

>> Programmatic Matrix

Falsification			
	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants as a result of this violation.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$1,000

One quarterly event is recommended.

Good Faith Efforts to Comply

25.0% Reduction

\$250

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent achieved compliance on December 1, 2010.

Violation Subtotal \$750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$0

Violation Final Penalty Total \$1,420

This violation Final Assessed Penalty (adjusted for limits) \$1,420

Economic Benefit Worksheet

Respondent C & R WATER SUPPLY INC.

Case ID No. 41193

Reg. Ent. Reference No. RN102181765

Media Water Quality

Violation No. 4

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
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No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal	\$3,500	1-Dec-2010	1-Dec-2010	0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to repair the force main, vacuum and properly dispose of the discharged wastewater, and disinfect the affected area. Date required is the date of the discharge. Final date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$3,500

TOTAL

\$0

Screening Date 3-Jan-2011

Docket No. 2011-0342-MWD-E

PCW

Respondent C & R WATER SUPPLY INC.

Policy Revision 2 (September 2002)

Case ID No. 41193

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102181765

Media [Statute] Water Quality

Enf. Coordinator Steve Villatoro

Violation Number 5

Rule Cite(s)

Tex. Water Code § 26.121(a)(1), 30 Tex. Admin. Code § 305.125(1), and TPDES Permit No. WQ0013575001, Effluent Limitations and Monitoring Requirements No. 1

Violation Description

Failed to comply with permitted effluent limits, as documented during a record review conducted on January 31, 2011. Specifically, the Respondent exceeded the total suspended solids daily average concentration limit of 15 milligrams per liter ("mg/L") for the monitoring periods ending August 31, 2010 and October 31, 2010. The reported values were 16.16 mg/L and 18.53 mg/L, respectively.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 10%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment has been exposed to insignificant amounts of pollutants which do not exceed levels that are protective of human health or environmental receptors as a result of this violation.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1

62 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	X
semiannual	
annual	
single event	

Violation Base Penalty \$1,000

One quarterly event is recommended.

Good Faith Efforts to Comply

10.0% Reduction

\$100

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary	
Ordinary	X
N/A	(mark with x)

Notes

The Respondent returned to compliance on February 28, 2011.

Violation Subtotal \$900

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$35

Violation Final Penalty Total \$1,570

This violation Final Assessed Penalty (adjusted for limits) \$1,570

Economic Benefit Worksheet

Respondent C & R WATER SUPPLY INC.

Case ID No. 41193

Reg. Ent. Reference No. RN102181765

Media Water Quality

Violation No. 5

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
No commas or \$							

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$1,000	31-Aug-2010	28-Feb-2011	0.50	\$2	\$33	\$35
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated costs to repair and clean the recirculation pump. Date required is the first date of noncompliance. Final date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,000

TOTAL

\$35

Screening Date 3-Jan-2011

Docket No. 2011-0342-MWD-E

PCW

Respondent C & R WATER SUPPLY INC.

Policy Revision 2 (September 2002)

Case ID No. 41193

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102181765

Media [Statute] Water Quality

Enf. Coordinator Steve Villatoro

Violation Number 6

Rule Cite(s) 30 Tex. Admin. Code §§ 305.125(1), 319.1 and 319.5(e) and TPDES Permit No. WQ0013575001, Monitoring and Reporting Nos. 1 and 4

Violation Description

Failed to accurately complete the discharge monitoring reports ("DMRs"). Specifically, the DMR for the monitoring period ending on February 28, 2010, indicated a chlorine residual of 1.93 mg/L; however, the operator's log indicated the chlorine residual was 2.43 mg/L. Also, the DMR for the monitoring period ending August 31, 2010, indicated that the sampling frequency for total suspended solids was once per week; however, the operator's log indicated that seven samples were collected, as documented during the October 20, 2010, investigation.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor
			X

Percent 1%

Matrix Notes

At least 70% of the rule requirement was met.

Adjustment \$9,900

\$100

Violation Events

Number of Violation Events 2

289 Number of violation days

mark only one
with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$200

Two single events are recommended, one for each DMR.

Good Faith Efforts to Comply

0.0% Reduction

\$0

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$200

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$23

Violation Final Penalty Total \$334

This violation Final Assessed Penalty (adjusted for limits) \$334

Economic Benefit Worksheet

Respondent C & R WATER SUPPLY INC.
 Case ID No. 41193
 Reg. Ent. Reference No. RN102181765
 Media Water Quality
 Violation No. 6

Percent Interest 5.0
 Years of Depreciation 15

Item Cost Date Required Final Date Yrs Interest Saved Onetime Costs EB Amount
 Item Description No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)	\$50	20-Mar-2010	15-Mar-2011	0.99	\$0	\$3	\$3
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling	\$250	20-Mar-2010	30-Sep-2011	1.53	\$19	n/a	\$19
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated cost to submit complete and accurate revised DMRs (\$25 each DMR) and conduct employee training to ensure that the DMRs are completed accurately. Date Required is the date the first report was due. Final dates are the dates the revised DMRs were submitted and the expected date of compliance with conducting employee training.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$300

TOTAL

\$23



Penalty Calculation Worksheet (PCW)

Policy Revision 2 (September 2002)

PCW Revision October 30, 2008

TCEQ

DATES	Assigned	7-Mar-2011	Screening	9-Mar-2011	EPA Due	
	PCW	7-Jul-2011				

RESPONDENT/FACILITY INFORMATION

Respondent	C & R WATER SUPPLY INC.	
Reg. Ent. Ref. No.	RN102181765	
Facility/Site Region	12-Houston	Major/Minor Source Minor

CASE INFORMATION

Enf./Case ID No.	41193	No. of Violations	2
Docket No.	2011-0342-MWD-E	Order Type	1660
Media Program(s)	Water Quality	Government/Non-Profit	No
Multi-Media		Enf. Coordinator	Steve Villatoro
		EC's Team	Enforcement Team 1
Admin. Penalty \$ Limit Minimum	\$0	Maximum	\$10,000

Penalty Calculation Section

TOTAL BASE PENALTY (Sum of violation base penalties)	Subtotal 1	\$2,000
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ADJUSTMENTS (+/-) TO SUBTOTAL 1

Subtotals 2-7 are obtained by multiplying the Total Base Penalty (Subtotal 1) by the indicated percentage.

Compliance History	67.0% Enhancement	Subtotals 2, 3, & 7	\$1,340
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Notes: Enhancement for seven months of self-reported effluent violations, four NOV's with same/similar violations, and six NOV's with dissimilar violations.

Culpability	No	0.0% Enhancement	Subtotal 4	\$0
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Notes: The Respondent does not meet the culpability criteria.

Good Faith Effort to Comply Total Adjustments	Subtotal 5	\$250
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Economic Benefit	0.0% Enhancement*	Subtotal 6	\$0
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Total EB Amounts \$11
Approx. Cost of Compliance \$1,010
*Capped at the Total EB \$ Amount

SUM OF SUBTOTALS 1-7	Final Subtotal	\$3,090
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OTHER FACTORS AS JUSTICE MAY REQUIRE	0.3%	Adjustment	\$10
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Reduces or enhances the Final Subtotal by the indicated percentage.

Notes: Enhancement to capture avoided costs associated with violation no. 2.

Final Penalty Amount	\$3,100
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STATUTORY LIMIT ADJUSTMENT	Final Assessed Penalty	\$3,100
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DEFERRAL	20.0% Reduction	Adjustment	-\$620
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Reduces the Final Assessed Penalty by the indicated percentage. (Enter number only; e.g. 20 for 20% reduction.)

Notes: Deferral offered for expedited settlement.

PAYABLE PENALTY	\$2,480
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Screening Date 9-Mar-2011

Docket No. 2011-0342-MWD-E

PCW

Respondent C & R WATER SUPPLY INC.

Policy Revision 2 (September 2002)

Case ID No. 41193

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102181765

Media [Statute] Water Quality

Enf. Coordinator Steve Villatoro

Compliance History Worksheet

>> Compliance History Site Enhancement (Subtotal 2)

Component	Number of...	Enter Number Here	Adjust.
NOVs	Written notices of violation ("NOVs") with same or similar violations as those in the current enforcement action (<i>number of NOVs meeting criteria</i>)	11	55%
	Other written NOVs	6	12%
Orders	Any agreed final enforcement orders containing a denial of liability (<i>number of orders meeting criteria</i>)	0	0%
	Any adjudicated final enforcement orders, agreed final enforcement orders without a denial of liability, or default orders of this state or the federal government, or any final prohibitory emergency orders issued by the commission	0	0%
Judgments and Consent Decrees	Any non-adjudicated final court judgments or consent decrees containing a denial of liability of this state or the federal government (<i>number of judgements or consent decrees meeting criteria</i>)	0	0%
	Any adjudicated final court judgments and default judgments, or non-adjudicated final court judgments or consent decrees without a denial of liability, of this state or the federal government	0	0%
Convictions	Any criminal convictions of this state or the federal government (<i>number of counts</i>)	0	0%
Emissions	Chronic excessive emissions events (<i>number of events</i>)	0	0%
Audits	Letters notifying the executive director of an intended audit conducted under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which notices were submitted</i>)	0	0%
	Disclosures of violations under the Texas Environmental, Health, and Safety Audit Privilege Act, 74th Legislature, 1995 (<i>number of audits for which violations were disclosed</i>)	0	0%
Please Enter Yes or No			
Other	Environmental management systems in place for one year or more	No	0%
	Voluntary on-site compliance assessments conducted by the executive director under a special assistance program	No	0%
	Participation in a voluntary pollution reduction program	No	0%
	Early compliance with, or offer of a product that meets future state or federal government environmental requirements	No	0%

Adjustment Percentage (Subtotal 2) 67%

>> Repeat Violator (Subtotal 3)

No

Adjustment Percentage (Subtotal 3) 0%

>> Compliance History Person Classification (Subtotal 7)

Average Performer

Adjustment Percentage (Subtotal 7) 0%

>> Compliance History Summary

Compliance
History
Notes

Enhancement for seven months of self-reported effluent violations, four NOVs with same/similar violations, and six NOVs with dissimilar violations.

Total Adjustment Percentage (Subtotals 2, 3, & 7) 67%

Screening Date 9-Mar-2011

Docket No. 2011-0342-MWD-E

PCW

Respondent C & R WATER SUPPLY INC.

Policy Revision 2 (September 2002)

Case ID No. 41193

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102181765

Media [Statute] Water Quality

Enf. Coordinator Steve Villatoro

Violation Number 1

Rule Cite(s) Tex. Water Code § 26.121(a)(1), 30 Tex. Admin. Code § 305.125(1), and TPDES Permit No. WQ0013575001, Permit Conditions No. 2.g.

Violation Description

Failed to prevent the unauthorized discharge of wastewater into or adjacent to water in the state, as documented during an investigation conducted on January 5, 2011. Specifically, on January 2, 2011, a clog in the transfer line between the aeration basin and the clarifier resulted in the discharge of approximately 700 gallons of partially treated wastewater, that flowed under the fence and down the service road to Clearwater East Street and also resulted in an accumulation of sludge next to the aeration basin.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

Release	Harm		
	Major	Moderate	Minor
Actual			X
Potential			

Percent 10%

>> Programmatic Matrix

Falsification	Major	Moderate	Minor

Percent 0%

Matrix Notes

Human health or the environment was exposed to insignificant amounts of pollutants as a result of this violation.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1

8 Number of violation days

mark only one with an x	daily	
	weekly	
	monthly	
	quarterly	X
	semiannual	
	annual	
	single event	

Violation Base Penalty \$1,000

One quarterly event is recommended from the date of the discharge (January 2, 2011) to the date of compliance (January 10, 2011).

Good Faith Efforts to Comply

25.0% Reduction

\$250

	Before NOV	NOV to EDPRP/Settlement Offer
Extraordinary		
Ordinary	X	
N/A		(mark with x)

Notes

The Respondent achieved compliance by January 10, 2011.

Violation Subtotal \$750

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$1

Violation Final Penalty Total \$1,425

This violation Final Assessed Penalty (adjusted for limits) \$1,425

Economic Benefit Worksheet

Respondent C & R WATER SUPPLY INC.
Case ID No. 41193
Reg. Ent. Reference No. RN102181765
Media Water Quality
Violation No. 1

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal	\$1,000	2-Jan-2011	10-Jan-2011	0.02	\$1	n/a	\$1
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Estimated costs to remove the blockage from transfer line, collect and properly dispose of wastewater and sludge, and disinfect the affected areas. Date required is the date of the discharge. Final date is the date of compliance.

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Approx. Cost of Compliance

\$1,000

TOTAL

\$1

Screening Date 9-Mar-2011

Docket No. 2011-0342-MWD-E

PCW

Respondent C & R WATER SUPPLY INC.

Policy Revision 2 (September 2002)

Case ID No. 41193

PCW Revision October 30, 2008

Reg. Ent. Reference No. RN102181765

Media [Statute] Water Quality

Enf. Coordinator Steve Villatoro

Violation Number 2

Rule Cite(s) 30 Tex. Admin. Code § 305.125(9)(A) and TPDES Permit No. WQ0013575001, Monitoring and Reporting Requirements No. 7

Violation Description

Failed to report any noncompliance to the Executive Director which may endanger human health or safety or the environment. Specifically, the Respondent did not orally notify the Executive Director within twenty-four hours of becoming aware of the unauthorized discharge that occurred on January 2, 2011.

Base Penalty \$10,000

>> Environmental, Property and Human Health Matrix

OR

	Harm		
Release	Major	Moderate	Minor
Actual			
Potential			

Percent 0%

>> Programmatic Matrix

	Major	Moderate	Minor
Falsification	X		

Percent 10%

Matrix Notes

100% of the rule requirement was not met.

Adjustment \$9,000

\$1,000

Violation Events

Number of Violation Events 1

1 Number of violation days

mark only one with an x

daily	
weekly	
monthly	
quarterly	
semiannual	
annual	
single event	X

Violation Base Penalty \$1,000

One single event is recommended.

Good Faith Efforts to Comply

0.0% Reduction

\$0

Before NOV NOV to EDPRP/Settlement Offer

Extraordinary		
Ordinary		
N/A	X	(mark with x)

Notes

The Respondent does not meet the good faith criteria for this violation.

Violation Subtotal \$1,000

Economic Benefit (EB) for this violation

Statutory Limit Test

Estimated EB Amount \$10

Violation Final Penalty Total \$1,675

This violation Final Assessed Penalty (adjusted for limits) \$1,675

Economic Benefit Worksheet

Respondent C & R WATER SUPPLY INC.

Case ID No. 41193

Reg. Ent. Reference No. RN102181765

Media Water Quality

Violation No. 2

Percent Interest	Years of Depreciation
5.0	15

Item Description	Item Cost	Date Required	Final Date	Yrs	Interest Saved	Onetime Costs	EB Amount
------------------	-----------	---------------	------------	-----	----------------	---------------	-----------

No commas or \$

Delayed Costs

Equipment				0.00	\$0	\$0	\$0
Buildings				0.00	\$0	\$0	\$0
Other (as needed)				0.00	\$0	\$0	\$0
Engineering/construction				0.00	\$0	\$0	\$0
Land				0.00	\$0	n/a	\$0
Record Keeping System				0.00	\$0	n/a	\$0
Training/Sampling				0.00	\$0	n/a	\$0
Remediation/Disposal				0.00	\$0	n/a	\$0
Permit Costs				0.00	\$0	n/a	\$0
Other (as needed)				0.00	\$0	n/a	\$0

Notes for DELAYED costs

Avoided Costs

ANNUALIZE [1] avoided costs before entering item (except for one-time avoided costs)

Disposal				0.00	\$0	\$0	\$0
Personnel				0.00	\$0	\$0	\$0
Inspection/Reporting/Sampling				0.00	\$0	\$0	\$0
Supplies/equipment				0.00	\$0	\$0	\$0
Financial Assurance [2]				0.00	\$0	\$0	\$0
ONE-TIME avoided costs [3]	\$10	2-Jan-2011	3-Jan-2011	0.00	\$0	\$10	\$10
Other (as needed)				0.00	\$0	\$0	\$0

Notes for AVOIDED costs

Estimated avoided cost to notify the Executive Director within twenty-four hours of becoming aware of the discharge. Date required is the date of the discharge. Final date is the end of the twenty-four hour period.

Approx. Cost of Compliance

\$10

TOTAL

\$10

Compliance History

Customer/Respondent/Owner-Operator:	CN600581672	C & R WATER SUPPLY INC.	Classification: AVERAGE	Rating: 1.97
Regulated Entity:	RN102181765	CLEAR WATER COVE	Classification: AVERAGE	Site Rating: 1.10
ID Number(s):	WASTEWATER	PERMIT	WQ0013575001	
	WASTEWATER	EPA ID	TX0109339	
	PUBLIC WATER SYSTEM/SUPPLY	REGISTRATION	1700480	
	WASTEWATER LICENSING	LICENSE	WQ0013575001	
Location:	located on Lake Conroe's western shore, north of and with access to Farm-to-Market Road 1097, approximately 7.6 miles west of Willis in Montgomery County, Texas			
TCEQ Region:	REGION 12 - HOUSTON			
Date Compliance History Prepared:	March 09, 2011			
Agency Decision Requiring Compliance History:	Enforcement			
Compliance Period:	March 9, 2011 to March 9, 2006			
TCEQ Staff Member to Contact for Additional Information Regarding this Compliance History				
Name:	Steve Villatoro	Phone:	(512) 239-4930	

Site Compliance History Components

1. Has the site been in existence and/or operation for the full five year compliance period? Yes
2. Has there been a (known) change in ownership/operator of the site during the compliance period? Yes
3. If Yes, who is the current owner/operator? OWN C & R WATER SUPPLY INC.
N/A
4. If Yes, who was/were the prior owner(s)/operator(s)? OWN Richard L Wagner DBA DBA Wagner Services
N/A
5. When did the change(s) in owner or operator occur? 08/24/2009 OWN Richard L Wagner DBA DBA Wagner Services
N/A
6. Rating Date: 9/1/2010 Repeat Violator: NO

Components (Multimedia) for the Site :

- A. Final Enforcement Orders, court judgments, and consent decrees of the State of Texas and the federal government.
N/A
- B. Any criminal convictions of the state of Texas and the federal government.
N/A
- C. Chronic excessive emissions events.
N/A
- D. The approval dates of investigations. (CCEDS Inv. Track. No.)

1	04/12/2006	(455388)
2	04/13/2006	(457242)
3	05/09/2006	(505435)
4	05/09/2006	(505436)
5	08/25/2006	(510189)
6	07/20/2006	(527718)
7	08/18/2006	(527719)
8	09/18/2006	(527720)
9	02/07/2007	(539181)
10	05/03/2007	(554771)
11	09/20/2007	(570388)
12	02/19/2007	(593351)
13	11/15/2007	(601179)
14	03/30/2007	(629299)

15	02/15/2007	(629300)
16	03/13/2007	(629301)
17	03/19/2007	(629302)
18	05/04/2007	(629303)
19	03/13/2007	(629304)
20	06/20/2007	(629305)
21	07/09/2007	(629306)
22	03/13/2007	(629307)
23	07/25/2007	(629308)
24	09/10/2007	(629309)
25	09/24/2007	(629310)
26	10/20/2006	(629311)
27	11/06/2007	(629312)
28	12/14/2006	(629313)
29	12/03/2007	(629314)
30	03/13/2007	(629315)
31	12/14/2006	(629316)
32	12/20/2007	(629317)
33	03/13/2007	(629318)
34	01/18/2007	(629319)
35	02/22/2008	(676680)
36	01/18/2008	(676681)
37	07/24/2008	(684876)
38	04/01/2008	(695227)
39	05/05/2008	(695228)
40	06/02/2008	(716748)
41	08/05/2008	(716749)
42	08/05/2008	(716750)
43	08/15/2008	(716751)
44	02/12/2009	(725976)
45	07/31/2008	(732181)
46	09/30/2008	(732182)
47	10/24/2008	(732183)
48	11/17/2008	(732184)
49	01/14/2009	(755518)
50	03/03/2009	(772573)
51	04/01/2009	(772574)
52	04/14/2009	(772575)
53	05/12/2009	(772576)
54	02/25/2010	(817808)
55	06/15/2009	(817809)
56	07/10/2009	(817810)
57	08/18/2009	(817811)
58	09/18/2009	(817812)
59	10/14/2009	(817813)
60	11/16/2009	(817814)
61	03/11/2009	(817815)
62	12/21/2009	(817816)
63	01/20/2010	(817817)
64	03/18/2010	(835479)

65	04/19/2010	(835480)
66	05/14/2010	(835481)
67	06/14/2010	(847680)
68	06/30/2010	(862081)
69	08/17/2010	(868670)
70	09/10/2010	(875559)
71	10/14/2010	(883100)
72	11/16/2010	(889515)
73	12/15/2010	(897878)
74	01/14/2011	(903783)

E. Written notices of violations (NOV). (CCEDS Inv. Track. No.)

Date:	04/11/2006 (455388)	CN600581672
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 30, SubChapter J 30.331(b) 30 TAC Chapter 30, SubChapter J 30.350(d) TPDES Permit No. 13575-001 PERMIT	
Description:	Failure to employ a certified operator.	
Self Report?	NO	Classification: Minor
Citation:	30 TAC Chapter 317 317.4(a)(8) 30 TAC Chapter 317 317.7(i)	
Description:	Failure to properly operate the backflow prevention device.	
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TPDES Permit No. 13575-001 PERMIT	
Description:	Failure to dispose of sludge at the site designated in the permit.	
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(11)(B) 30 TAC Chapter 305, SubChapter F 305.125(11)(C) TPDES Permit No. 13575-001 PERMIT	
Description:	Failure to submit the annual sludge report.	
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1)	
Description:	Failure to test the sludge at the required frequency.	
Self Report?	NO	Classification: Minor
Citation:	30 TAC Chapter 305, SubChapter F 305.125(5) 30 TAC Chapter 317 317.6(b)(3)	
Description:	Failure to maintain the chlorine contact basin free of sludge.	
Self Report?	NO	Classification: Minor
Citation:	30 TAC Chapter 319, SubChapter A 319.11(d)	
Description:	Failure to provide accurate flow measurements.	
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 319, SubChapter A 319.7(c)	
Description:	Failure to accurately complete the discharge monitoring reports.	
Self Report?	NO	Classification: Minor
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) TPDES Permit No. 13575-001 PERMIT	
Description:	Failure to maintain compliance with the Other Permit Requirements.	
Date:	04/17/2006 (457242)	CN600581672
Self Report?	NO	Classification: Moderate
Citation:	30 TAC Chapter 290, SubChapter D 290.45(b)(1)(C)(ii)	
Description:	Failure to meet this Agency's "Minimum Water System Capacity Requirements." These requirements include a total storage capacity of 200	
Date:	06/20/2006 (510189)	CN600581672
Self Report?	NO	Classification: Minor
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) Self-reporting Requirements PERMIT	
Description:	Using unapproved self-generated Discharge Monitoring Report (DMR) forms to report monitoring results.	
Date:	10/31/2006 (629313)	CN600581672
Self Report?	YES	Classification: Moderate
Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)	
Description:	Failure to meet the limit for one or more permit parameter	
Date	02/19/2007 (593351)	CN600581672

Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) 30 TAC Chapter 305, SubChapter F 305.125(17)		
Description:	NON-RPT VIOS FOR MONIT PER OR PIPE		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) 30 TAC Chapter 305, SubChapter F 305.125(17)		
Description:	NON-RPT VIOS FOR MONIT PER OR PIPE		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) 30 TAC Chapter 305, SubChapter F 305.125(17)		
Description:	NON-RPT VIOS FOR MONIT PER OR PIPE		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) 30 TAC Chapter 305, SubChapter F 305.125(17)		
Description:	NON-RPT VIOS FOR MONIT PER OR PIPE		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) 30 TAC Chapter 305, SubChapter F 305.125(17)		
Description:	NON-RPT VIOS FOR MONIT PER OR PIPE		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) 30 TAC Chapter 305, SubChapter F 305.125(17)		
Description:	NON-RPT VIOS FOR MONIT PER OR PIPE		
Date	05/31/2007 (629306)	CN600581672	
Self Report?	YES	Classification	Moderate
Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	Failure to meet the limit for one or more permit parameter		
Date	09/19/2007 (570388)	CN600581672	
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 305, SubChapter F 305.125(5) 30 TAC Chapter 317 317.4(g)(4)(B) Operational Requirements, P. 9, No. 1 PERMIT		
Description:	Failure to provide a backup blower as required.		
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) EL&MR, P 2, No. 6 PERMIT		
Description:	Failure to maintain compliance with permitted effluent limits for dissolved oxygen (DO).		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 319, SubChapter A 319.11(d)		
Description:	Failure to provide accurate flow measurements.		
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 319, SubChapter A 319.11(d) EL&MR, P. 2, No. 1 PERMIT		
Description:	Failure to accurately measure the peak flow.		
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 319, SubChapter A 319.7(c)		
Description:	Failure to accurately complete the discharge monitoring reports.		
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 319, SubChapter A 319.7(a) 30 TAC Chapter 319, SubChapter A 319.7(c)		
Description:	Failure to maintain the quality assurance/quality control (QA/QC) equipment for total chlorine residual.		
Date	04/30/2008 (716748)	CN600581672	
Self Report?	YES	Classification	Moderate
Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	Failure to meet the limit for one or more permit parameter		
Date	05/31/2008 (716749)	CN600581672	
Self Report?	YES	Classification	Moderate
Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	Failure to meet the limit for one or more permit parameter		
Date	06/30/2008 (684876)	CN600581672	

Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 290, SubChapter D 290.45(b)(1)(C)(ii)		
Description:	Failure to meet this Agency's "Minimum Water System Capacity Requirements." These requirements include a total storage capacity of 200 gallons per connection.		
Date	07/31/2008 (716751)	CN600581672	
Self Report?	YES	Classification	Moderate
Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	Failure to meet the limit for one or more permit parameter		
Date	01/13/2009 (725976)	CN600581672	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 290, SubChapter D 290.45(b)(1)(C)(ii)		
Description:	Failure to meet this Agency's "Minimum Water System Capacity Requirements." These requirements include a total storage capacity of 200 gallons per connection.		
Date	02/11/2009 (725976)	CN600581672	
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 290, SubChapter D 290.44(h)(4)		
Description:	Failure to provide an annual backflow prevention assembly test report was provided for the wastewater treatment plant at the time of the investigation.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 290, SubChapter D 290.41(c)(1)(F)		
Description:	Failure to provide copies of recorded sanitary control easements, an approved substitute, or an exception to the requirement for the well.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 290, SubChapter D 290.46(j)		
Description:	Failure to complete a customer service inspection certification prior to providing continuous water service to 31 new customers.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 290, SubChapter D 290.46(m)(4)		
Description:	Failure to repair or replace the leaking raw water sample tap located on the well.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 290, SubChapter D 290.42(e)(4)(B)		
Description:	Failure to seal the common wall separating the gas chlorination facilities from the air compression room in order to afford a maximum degree of protection for the mechanical equipment in the event of a chlorine gas leak.		
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 290, SubChapter D 290.41(c)(3)(K)		
Description:	Failure to provide the well with a screened casing vent, which must face downward and be elevated so as to minimize the drawing of contaminants into the well. The screening must be 16-mesh or finer corrosion-resistant screen. At the time of the investigation the casing vent was facing outward.		
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 290, SubChapter F 290.118(b)		
Description:	Failure to provide drinking water within the maximum permissible levels for the constituents iron and manganese, which are 0.3 mg/L & 0.05 mg/L. The most recent chemical analysis of the water from this system reveals that the iron and manganese concentrations are 12.5 mg/L & 0.770 mg/L, respectively.		
Date	06/24/2010 -826012	CN600581672	
Self Report?	NO	Classification	Moderate
Citation:	30 TAC Chapter 305, SubChapter F 305.125(1) Operational Requirements PERMIT		
Description:	Failure to prevent the unauthorized discharge of partially treated wastewater from the wastewater treatment plant.		
Date	08/31/2010 (875559)	CN600581672	
Self Report?	YES	Classification	Moderate
Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	Failure to meet the limit for one or more permit parameter		
Date	10/31/2010	CN600581672	
Self Report?	YES	Classification	Moderate
Citation:	2D TWC Chapter 26, SubChapter A 26.121(a) 30 TAC Chapter 305, SubChapter F 305.125(1)		
Description:	Failure to meet the limit for one or more permit parameter		
Date	02/15/2011 (895684)	CN600581672	
Self Report?	NO	Classification	Minor
Citation:	30 TAC Chapter 317 317.3 Operational Requirements, Pg.9, No.1. PERMIT		
Description:	Failure to adequately maintain the off-site lift station.		

N/A

G. Type of environmental management systems (EMSs).

N/A

H. Voluntary on-site compliance assessment dates.

N/A

I. Participation in a voluntary pollution reduction program.

N/A

J. Early compliance.

N/A

Sites Outside of Texas

N/A

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



**IN THE MATTER OF AN
ENFORCEMENT ACTION
CONCERNING
C & R WATER SUPPLY INC.
RN102181765**

**§ BEFORE THE
§
§ TEXAS COMMISSION ON
§
§ ENVIRONMENTAL QUALITY**

AGREED ORDER DOCKET NO. 2011-0342-MWD-E

I. JURISDICTION AND STIPULATIONS

At its _____ agenda, the Texas Commission on Environmental Quality ("the Commission" or "TCEQ") considered this agreement of the parties, resolving an enforcement action regarding C & R WATER SUPPLY INC. ("the Respondent") under the authority of TEX. WATER CODE chs. 7 and 26. The Executive Director of the TCEQ, through the Enforcement Division, and the Respondent appear before the Commission and together stipulate that:

1. The Respondent owns and operates a wastewater treatment plant located on Lake Conroe's western shore, north of and with access to Farm-to-Market Road 1097, approximately 7.6 miles west of Willis in Montgomery County, Texas (the "Facility").
2. The Respondent has discharged municipal waste into or adjacent to any water in the state under TEX. WATER CODE ch. 26.
3. The Commission and the Respondent agree that the Commission has jurisdiction to enter this Agreed Order, and that the Respondent is subject to the Commission's jurisdiction.
4. The Respondent received notice of the violations alleged in Section II ("Allegations") on or about December 20, 2010 and March 9, 2011.
5. The occurrence of any violation is in dispute and the entry of this Agreed Order shall not constitute an admission by the Respondent of any violation alleged in Section II ("Allegations"), nor of any statute or rule.
6. An administrative penalty in the amount of Twenty-Three Thousand Four Hundred Nineteen Dollars (\$23,419) is assessed by the Commission in settlement of the violations

alleged in Section II ("Allegations"). The Respondent has paid Seven Hundred Ninety-Six Dollars (\$796) of the administrative penalty and Four Thousand Six Hundred Eighty-Three Dollars (\$4,683) is deferred contingent upon the Respondent's timely and satisfactory compliance with all the terms of this Agreed Order. The deferred amount will be waived upon full compliance with the terms of this Agreed Order. If the Respondent fails to timely and satisfactorily comply with all requirements of this Agreed Order, the Executive Director may require the Respondent to pay all or part of the deferred penalty.

The remaining amount of Seventeen Thousand Nine Hundred Forty Dollars (\$17,940) of the administrative penalty shall be payable in twenty-three monthly payments of Seven Hundred Eighty Dollars (\$780) each. The next monthly payment shall be paid within 30 days after the effective date of this Agreed Order. The subsequent payments shall each be paid not later than 30 days following the due date of the previous payment until paid in full. If the Respondent fails to timely and satisfactorily comply with the payment requirements of this Agreed Order, the Executive Director may, at the Executive Director's option, accelerate the maturity of the remaining installments, in which event the unpaid balance shall become immediately due and payable without demand or notice. In addition, the failure of the Respondent to meet the payment schedule of this Agreed Order constitutes the failure by the Respondent to timely and satisfactorily comply with all the terms of this Agreed Order

7. Any notice and procedures, which might otherwise be authorized or required in this action, are waived in the interest of a more timely resolution of the matter.
8. The Executive Director of the TCEQ and the Respondent have agreed on a settlement of the matters alleged in this enforcement action, subject to the approval of the Commission.
9. The Executive Director recognizes that the Respondent has implemented the following corrective measures at the Facility:
 - a. By November 4, 2010, installed a high level alarm and a backup pump at the Clear Water Point Lift Station;
 - b. By December 1, 2010:
 - i. Repaired the force main at the on-site lift station;
 - ii. Used a vacuum truck to collect and properly dispose of the discharged wastewater; and
 - iii. Disinfected the affected area.
 - c. By January 10, 2011:
 - i. Cleared the blockage from the transfer line and ceased the unauthorized discharge;

- ii. Used a vacuum truck to pump sludge from the chlorine contact chamber and clarifier and properly disposed of the sludge; and
 - iii. Collected and properly disposed of the sludge next to the aeration basin.
 - d. On February 28, 2011, returned to compliance with permitted effluent limits;
 - e. On March 15, 2011, submitted revised DMRs for the monitoring periods ending February 28, 2010 and August 31, 2010; and
 - f. On March 21, 2011, installed a ventilation fan in the chlorine storage room.
- 10. The Executive Director may, without further notice or hearing, refer this matter to the Office of the Attorney General of the State of Texas ("OAG") for further enforcement proceedings if the Executive Director determines that the Respondent has not complied with one or more of the terms or conditions in this Agreed Order.
 - 11. This Agreed Order shall terminate five years from its effective date or upon compliance with all the terms and conditions set forth in this Agreed Order, whichever is later.
 - 12. The provisions of this Agreed Order are deemed severable and, if a court of competent jurisdiction or other appropriate authority deems any provision of this Agreed Order unenforceable, the remaining provisions shall be valid and enforceable.

II. ALLEGATIONS

As owner and operator of the Facility, the Respondent is alleged to have:

- 1. Failed to properly operate and maintain all facilities and systems of treatment and control, in violation of 30 TEX. ADMIN. CODE §§ 305.125(1), 305.125(5) and 317.4(d)(2) and Texas Pollutant Discharge Elimination System ("TPDES") Permit No. WQ0013575001, Operational Requirements No. 1, as documented during an investigation conducted on October 20, 2010. Specifically, eight inches of settled sludge in a seven foot water depth was measured in the chlorine contact chamber, the thirty minute settleable solids concentration in the aeration basin resulted in a value of 80%, the Facility did not have any scum baffles installed, and approximately 70% of the top of the clarifier was covered in solids.
- 2. Failed to properly operate and maintain all facilities and systems of treatment and control, in violation of 30 TEX. ADMIN. CODE §§ 305.125(1), 305.125(5), 317.3(b)(1), and 317.3(e)(5) and TPDES Permit No. WQ0013575001, Operational Requirements No. 1, as documented during an investigation conducted on October 20, 2010. Specifically, a high level alarm was not installed and only one pump was working at the Clear Water Point Lift Station.
- 3. Failed to properly operate and maintain the chlorination system, in violation of 30 TEX. ADMIN. CODE § 317.6(b)(1)(E), as documented during the October 20, 2010, investigation. Specifically, the ventilation fan in the chlorine room was inoperable.

4. Failed to prevent the unauthorized discharge of wastewater into or adjacent to water in the state, in violation of TEX. WATER CODE § 26.121(a)(1), 30 TEX. ADMIN. CODE § 305.125(1) and TPDES Permit No. WQ0013575001, Permit Conditions No. 2.g., as documented during a record review conducted on December 10, 2010. Specifically, a review of the Facility's records indicated that on December 1, 2010, a force main break at the on-site lift station resulted in a discharge of approximately 2,500 gallons of untreated wastewater into a ditch adjacent to the Facility.
5. Failed to comply with permitted effluent limits, in violation of TEX. WATER CODE § 26.121(a)(1), 30 TEX. ADMIN. CODE § 305.125(1), and TPDES Permit No. WQ0013575001, Effluent Limitations and Monitoring Requirements No. 1, as documented during an investigation conducted on January 31, 2011. Specifically, the Respondent exceeded the total suspended solids daily average concentration limit of 15 milligrams per liter ("mg/L") for the monitoring periods ending August 31, 2010 and October 31, 2010. The reported values were 16.16 mg/L and 18.53 mg/L, respectively.
6. Failed to accurately complete the discharge monitoring reports ("DMRs"), in violation of 30 TEX. ADMIN. CODE §§ 305.125(1), 319.1, and 319.5(e) and TPDES Permit No. WQ0013575001, Monitoring and Reporting Nos. 1 and 4, as documented during an investigation conducted on October 20, 2010. Specifically, the DMR for the monitoring period ending on February 28, 2010, indicated a chlorine residual of 1.93 mg/L; however, the operator's log indicated the chlorine residual was 2.43 mg/L. Also, the DMR for the monitoring period ending August 31, 2010, indicated that the sampling frequency for total suspended solids was once per week; however, the operator's log indicated that seven samples were collected.
7. Failed to prevent the unauthorized discharge of wastewater into or adjacent to water in the state, in violation of TEX. WATER CODE § 26.121(a)(1), 30 TEX. ADMIN. CODE § 305.125(1), and TPDES Permit No. WQ0013575001, Permit Conditions No. 2.g., as documented during an investigation conducted on January 5, 2011. Specifically, on January 2, 2011, a clog in the transfer line between the aeration basin and the clarifier resulted in the discharge of approximately 700 gallons of partially treated wastewater, that flowed under the fence and down the service road to Clearwater East Street and also resulted in an accumulation of sludge next to the aeration basin.
8. Failed to report any noncompliance to the Executive Director which may endanger human health or safety, or the environment, in violation of 30 TEX. ADMIN. CODE § 305.125(9)(A) and TPDES Permit No. WQ0013575001, Monitoring and Reporting Requirements No. 7, as documented during an investigation conducted on October 20, 2010. Specifically, the Respondent did not orally notify the Executive Director within twenty-four hours of becoming aware of the unauthorized discharge that occurred on January 2, 2011.

III. DENIALS

The Respondent generally denies each allegation in Section II ("Allegations").

IV. ORDERING PROVISIONS

1. It is, therefore, ordered by the TCEQ that the Respondent pay an administrative penalty as set forth in Section I, Paragraph 6 above. The payment of this administrative penalty and the Respondent's compliance with all the terms and conditions set forth in this Agreed Order resolve only the allegations in Section II. The Commission shall not be constrained in any manner from requiring corrective action or penalties for violations which are not raised here. Administrative penalty payments shall be made payable to "TCEQ" and shall be sent with the notation "Re: C & R WATER SUPPLY INC., Docket No. 2011-0342-MWD-E" to:

Financial Administration Division, Revenues Section
Attention: Cashier's Office, MC 214
Texas Commission on Environmental Quality
P.O. Box 13088
Austin, Texas 78711-3088

2. It is further ordered that the Respondent shall undertake the following technical requirements:
 - a. Within 30 days after the effective date of this Agreed Order:
 - i. Conduct employee training to ensure the Executive Director will be notified of any unauthorized discharge, in accordance with 30 TEX. ADMIN. CODE § 305.125(9)(A) and TPDES Permit No. WQ0013575001, Monitoring and Reporting Requirements No. 7; and
 - ii. Update the Facility's operational guidance and conduct employee training to ensure that self-reporting requirements are properly accomplished, including the timely submittal of accurately completed, signed, and certified monthly DMRs, in accordance with TPDES Permit No. WQ0013575001, Monitoring and Reporting Requirements No. 1;
 - b. Within 45 days after the effective date of this Agreed Order, submit certification of compliance with Ordering Provision Nos. 2.a.i. and 2.a.ii. The certification shall be in accordance with Ordering Provision No. 2.e below;
 - c. Within 60 days after the effective date of this Agreed Order:
 - i. Develop and implement a solids management plan ("SMP"). The SMP shall identify the appropriate range of solids to be maintained throughout the treatment units at the Facility and outline a program of internal process control testing to monitor the efficiency of the wastewater treatment and to maintain the proper solids balance at the Facility. The SMP shall be prepared by a Texas registered professional engineer or an "A" TCEQ Certified Wastewater Operator; and
 - ii. Ensure the clarifier is properly maintained and operated, in accordance with 30 TEX. ADMIN. CODE § 317.4(d)(2);

- d. Within 75 days after the effective date of this Agreed Order, submit certification of compliance with Ordering Provision Nos. 2.c.i. and 2.c.ii. The certification shall be in accordance with Ordering Provision No. 2.e below;
- e. The written certification of compliance required by Ordering Provision Nos. 2.b and 2.d shall include detailed supporting documentation including photographs, receipts, and/or other records to demonstrate compliance. The certification shall be notarized by a State of Texas Notary Public and include the following certification language:

"I certify under penalty of law that I have personally examined and am familiar with the information submitted and all attached documents, and that based on my inquiry of those individuals immediately responsible for obtaining the information, I believe that the submitted information is true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

The certification shall be submitted to:

Order Compliance Team
Enforcement Division, MC 149A
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

with copy to:

Water Section, Manager
Houston Regional Office
Texas Commission on Environmental Quality
5425 Polk Avenue, Suite H
Houston, Texas 77023-1486

- 3. The provisions of this Agreed Order shall apply to and be binding upon the Respondent. The Respondent is ordered to give notice of the Agreed Order to personnel who maintain day-to-day control over the Facility operations referenced in this Agreed Order.
- 4. If the Respondent fails to comply with any of the Ordering Provisions in this Agreed Order within the prescribed schedules, and that failure is caused solely by an act of God, war, strike, riot, or other catastrophe, the Respondent's failure to comply is not a violation of this Agreed Order. The Respondent shall have the burden of establishing to the Executive Director's satisfaction that such an event has occurred. The Respondent shall notify the Executive Director within seven days after the Respondent becomes aware of a delaying event and shall take all reasonable measures to mitigate and minimize any delay.
- 5. The Executive Director may grant an extension of any deadline in this Agreed Order or in any plan, report, or other document submitted pursuant to this Agreed Order, upon a

written and substantiated showing of good cause. All requests for extensions by the Respondent shall be made in writing to the Executive Director. Extensions are not effective until the Respondent receives written approval from the Executive Director. The determination of what constitutes good cause rests solely with the Executive Director.

6. This Agreed Order, issued by the Commission, shall not be admissible against the Respondent in a civil proceeding, unless the proceeding is brought by the OAG to: (1) enforce the terms of this Agreed Order; or (2) pursue violations of a statute within the Commission's jurisdiction, or of a rule adopted or an order or permit issued by the Commission under such a statute.
7. This Agreed Order may be executed in separate and multiple counterparts, which together shall constitute a single instrument. Any page of this Agreed Order may be copied, scanned, digitized, converted to electronic portable document format ("pdf"), or otherwise reproduced and may be transmitted by digital or electronic transmission, including but not limited to facsimile transmission and electronic mail. Any signature affixed to this Agreed Order shall constitute an original signature for all purposes and may be used, filed, substituted, or issued for any purpose for which an original signature could be used. The term "signature" shall include manual signatures and true and accurate reproductions of manual signatures created, executed, endorsed, adopted, or authorized by the person or persons to whom the signatures are attributable. Signatures may be copied or reproduced digitally, electronically, by photocopying, engraving, imprinting, lithographing, electronic mail, facsimile transmission, stamping, or any other means or process which the Executive Director deems acceptable. In this paragraph exclusively, the terms "electronic transmission", "owner", "person", "writing", and "written" shall have the meanings assigned to them under TEX. BUS. ORG. CODE § 1.002.
8. Under 30 TEX. ADMIN. CODE § 70.10(b), the effective date is the date of hand-delivery of the Order to the Respondent, or three days after the date on which the Commission mails notice of the Order to the Respondent, whichever is earlier. The Chief Clerk shall provide a copy of this Agreed Order to each of the parties.

SIGNATURE PAGE

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

For the Commission

D. V. Q. for R. Hyde
For the Executive Director

12-20-11
Date

I, the undersigned, have read and understand the attached Agreed Order. I am authorized to agree to the attached Agreed Order on behalf of the entity indicated below my signature, and I do agree to the terms and conditions specified therein. I further acknowledge that the TCEQ, in accepting payment for the penalty amount, is materially relying on such representation.

I also understand that failure to comply with the Ordering Provisions, if any, in this order and/or failure to timely pay the penalty amount, may result in:

- A negative impact on compliance history;
- Greater scrutiny of any permit applications submitted;
- Referral of this case to the Attorney General's Office for contempt, injunctive relief, additional penalties, and/or attorney fees, or to a collection agency;
- Increased penalties in any future enforcement actions;
- Automatic referral to the Attorney General's Office of any future enforcement actions; and
- TCEQ seeking other relief as authorized by law.

In addition, any falsification of any compliance documents may result in criminal prosecution.

Richard L. Wagner
Signature

August 3, 2011
Date

Richard L. Wagner
Name (Printed or typed)
Authorized Representative of
C & R WATER SUPPLY INC.

President
Title

Instructions: Send the original, signed Agreed Order with penalty payment to the Financial Administration Division, Revenues Section at the address in Section IV, Paragraph 1 of this Agreed Order.